

FISCAL NOTE

SB 2655 - HB 2919

February 28, 2002

SUMMARY OF BILL: Authorizes counties to levy a motor vehicle privilege tax on Class A (motorcycles) or C (antique vehicles) motor vehicles. Provides for such tax to be levied on the current average "trade-in" value of the vehicle. Specifies that the rate of the tax be set by the county legislative body on a percentage of the value of the vehicle but there shall be a minimum tax of \$50 on each vehicle. Provides for the tax to be payable annually and at the same time as registration fees are paid. Requires the assessor of property to determine the annual valuation of each vehicle and provide the data to the county clerk who shall send a tax statement to the owner of the vehicle.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures - Exceeds \$100,000 / Permissive
Increase Local Govt. Revenues - Exceeds \$1,000,000 / Permissive

Estimate assumes:

- the state is not responsible for providing tax notices.
- to the extent local governments choose to impose the tax authorized by the provisions of the bill they will experience an increase in expenditures for the costs associated with assessing vehicles and preparing tax notices. This increase is estimated to exceed \$100,000.
- to the extent local governments choose to impose the tax authorized by the bill they will experience an increase in revenues from the proceeds of the tax. This increase is estimated to exceed \$1,000,000.
- there are approximately 69,000 Class A vehicles and 22,000 Class C vehicles registered in Tennessee.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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